



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

### FISCAL IMPACT NOTE

**Bill Number 14-3**

**Capital Program Time Limits**

Sponsor: Council President Boniface

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#### Summary of Legislation

AN ACT to repeal and reenact with amendments Section 123-12.1, Adoption of Capital Program, to Article I, General Provisions, of Chapter 123, Finance and Taxation, of the Harford County Code, as amended; to provide that the capital project resolution adopted each year shall have no effect on the three year time limit provided for in §519 of the Harford County Charter, as amended; and generally relating to the capital program.

The bill will take effect 60 days after it is enacted.

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#### Fiscal Impact Summary

The bill has no immediate fiscal impact; it will not increase or reduce spending. However, when it is approved, there will be a more specific reduction in Capital Projects funds that are available for spending.

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#### Fiscal Analysis

Currently, §519 of the Harford County Charter provides “that any capital project shall stand abandoned if three fiscal years elapse without any expenditure from or encumbrance of the appropriation made therefor.” The proposed legislation clarifies that the annual capital program resolution does not change the period for project abandonment. The clarification would mean that a project’s spending authority is extended only if it receives an appropriation, not simply because it is included in the Capital Program.

As an example, the “Site Acquisition 06” project was used in October 2013 and February, 2014 to purchase property; this project was included in the most recent Capital Program, but had no expenditures or encumbrances since August 2009. If this legislation is approved, this type of purchase would not be allowed.

There is no current fiscal impact related to this bill. However, there are currently 6 projects in the Capital Program that have had no expenditures or encumbrances in fiscal years 2011, 2012, 2013 and 2014. The unexpended funds for these projects are approximately \$2.5 million. Another 4 projects (approximately \$1.9 million unexpended) would be abandoned at the end of fiscal year 2014. A summary of the projects is below.

*~ Preserving Harford's past; promoting Harford's future ~*



<u>Project #</u>	<u>Name</u>	<u>Funds</u> <u>Appropriated*</u>	<u>Unexpended</u>	<u>Unspent</u> <u>Bonds</u>	<u>Last</u> <u>Spending</u>
A064102	Emergency Needs	\$ 25,000	\$ 25,000	\$ -	None
A094104	Enterprise Resource System	\$ 25,000	\$ 25,000	\$ -	None
A094108	Woodland Run Stream Restoration	\$ 700,000	\$ 698,294	\$ -	April-09
W096701	Tollgate Road Water Main Parallel	\$ 1,300,000	\$ 1,292,997	\$ 292,997	June-09
S096702	Bel Air Infiltration & Inflow	\$ 500,000	\$ 451,675	\$ -	October-09
S036636	Plumtree Collector Parallel Phase 2**	\$ 100,000	\$ 44,036	\$ -	June-04

**Abandoned after FY2014**

A124105	Plumtree Run Watershed Restoration	\$ 443,452	\$ 443,452	\$ -	None
E124110	Norrisville Station	\$ 750,000	\$ 750,000	\$ -	None
W126720	Abingdon Maintenance Storage Protection	\$ 200,000	\$ 200,000	\$ -	None
W126721	Regional Water Supply R&A	\$ 500,000	\$ 500,000	\$ -	None

<b>TOTAL</b>	<b>\$ 4,543,452</b>	<b>\$ 4,430,454</b>	<b>\$ 292,997</b>	
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\*Excludes 'Other' approved funding that was not received, includes bonds that were approved, but have not been issued.

\*\* All appropriations were Developer Contributions, no County funds.

There are 4 Board of Education projects (approximately \$153,000 unexpended) that will have had no spending at the end of FY2014. Those projects must be closed by the Board of Education because the County does not have the authority to do so.

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### **Additional Information**

Previous Introductions: None.

Fiscal Note History: Version 03 (02/27/14) based on bill as of February 4, 2014.

Fiscal Analysis was prepared by Chrystal Brooks, County Auditor.

Inquiries may be directed to (410)638-3161.